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MINERAL MOUNTAIN MINING CO. LTD. N.P.L.

ANNUAL REPORT



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MINERAL MOUNTAIN MINING CO. LTD. N.P.L.

HEAD OFFICE

506—540 Burrard Street, Vancouver 1, B.C.

DIRECTORS

Charles W. Jaggs, *Vancouver, B.C.*
H. B. R. Kirkpatrick, *Vancouver, B.C.*
Charles Maddin, *West Vancouver, B.C.*
Benjamin J. McConnell, *Vancouver, B.C.*
Walter E. Schott, *Cincinnati, Ohio*
Isaac Shulman, *Vancouver, B.C.*
J. E. R. Wood, *Vancouver, B.C.*

OFFICERS

Charles W. Jaggs, *President*
H. B. R. Kirkpatrick, *Vice-President*
J. E. R. Wood, *Managing Director*
Benjamin J. McConnell, *Secretary-Treasurer*

*STOCK REGISTRAR AND
TRANSFER AGENT*

Guaranty Trust Company of Canada,
580 Hornby Street,
Vancouver, B.C.

SOLICITORS

Meredith, Marshall, McConnell & Scott,
1700—777 Hornby Street,
Vancouver 1, B.C.

AUDITORS

Winspear, Higgins, Stevenson & Doane,
1505 Robson Street,
Vancouver 5, B.C.

ANNUAL MEETING

An Annual Meeting of the shareholders of
Mineral Mountain Mining Co. Ltd. N.P.L. will
be held in the Patricia Room of the
Georgia Hotel at 801 West Georgia Street,
on Friday, the 15th day of
August, 1969, at the hour of 11:00
o'clock in the forenoon.

TO OUR SHARE OWNERS:

On behalf of the directors I am pleased to outline developments occurring in the period covered by the company's last fiscal year and succeeding months, including appointment of new officers and directors, new property acquisitions, additional financing, arrangements between this company and another for amalgamation and an exploration agreement with a major company on certain of our mineral properties in Saskatchewan.

Following discussions to that end, your directors and those of Valley Forge Mining Ltd. (N.P.L.) agreed upon provisions for a merger of the two companies by amalgamation. Valley Forge Mining Ltd. (N.P.L.) is a British Columbia mining, exploration and development company holding a substantial block of over 500 mineral claims in the Highland Valley area of British Columbia and having approximately \$250,000.00 in treasury cash less current expenditures applicable to the present exploration program on the properties. The transaction takes the form of merging all the assets and liabilities of the two companies into ownership by an amalgamated company. The amalgamated company will also be known as Mineral Mountain Mining Co. Ltd. N.P.L. Holders of shares in the present company will receive 1 share of the amalgamated company for each share of the present company held. Shareholders of Valley Forge will receive 2 shares for each 3 shares of Valley Forge held. Upon completion of this share exchange the amalgamated company will have 3,002,670 shares outstanding. As the shares of your company are listed for trading on the Vancouver Stock Exchange, application will be made for listing of the shares of the amalgamated company at the same time as the transaction is concluded.

A special resolution will be proposed at the annual meeting for share owner approval of this significant step in expanding operations with the combined resources of the two companies. Additional

details are set forth in the information circular accompanying this report.

Recently the company received \$250,000 cash through an underwriting of 200,000 treasury shares at \$1.25 per share. Options were granted to the underwriters on another 400,000 shares in two blocks of 200,000 each at prices of \$1.25 and \$1.50 per share, exercisable respectively on July 15th and October 13th, 1969. The July 15, 1969 option was not exercised and no further options are outstanding.

In December 1968 the company acquired an 80% interest and Jersey Consolidated Mines Limited a 20% interest in two permits in the Wollaston-Foster Lake area, northern Saskatchewan. These permits are located along the trend of the favourable Geikie River Fault. They cover a substantial area of 337,700 acres.

In March of this year an agreement was made with the Great Plains Development Company of Canada, Ltd. for exploration of these permit areas, whereby Great Plains may earn a 51% interest in the properties by spending \$270,000.00 on exploration work on the permits with \$60,000.00 of this work to be completed by December 1st, 1969.

Wollaston-Foster Lakes Area

In July, Great Plains conducted an airborne radiometric survey as advised by its consultants to test area adjacent to the Geikie fault structure for potential uranium deposition and have advised that several uranium anomalies have been indicated and are being currently assessed. Arrangements are near completion of the pooling of claim blocks and mining claims now held by Great Plains within the No. 1 Permit area, on which several interesting copper occurrences are known. The German firm of Uranerzbergbau is associated with Great Plains in the exploration of Permit No. 1.

Highland Valley Area

Upon amalgamation in excess of \$500,000 will be on hand for exploration. An ex-

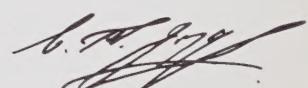
ploration program has been initiated on the Highland Valley group of some 500 claims previously referred to which are located about 10 miles north of the producing operation of Bethlehem Copper Corporation Ltd. Work camps have been established and an access road built from the south suitable for use by 4-wheel drive vehicles. Geological mapping is under way and lines are being cut for geochemical and geophysical surveys.

Originally the property was acquired by Valley Forge Mining Ltd. (N.P.L.) to cover magnetic anomalies outlined by an aerial survey. The property is located on the northern extremity of the Guichon Batholith, a prominent geological feature with which copper mineralization has been associated. A substantial area of copper mineralization has been found which, while not of ore grade, must be considered encouraging.

This program is under the direction of Mr. D.M. Cannon, P. Eng., Consulting Geologist, and Mr. Marcel Guiget, Geologist is Project Manager.

Since management of your Company was reorganized in recent months, the new Board of Directors have aggressively promoted exploration work on your various holdings. It is our avowed intention to continue this and to investigate, on your behalf, any opportunity to acquire further valuable holdings which show promise.

Your Directors take this opportunity to thank our associates for their fine efforts, and to express our confidence in the future.



President

July 28th, 1969

DEFERRED DEVELOPMENT COSTS DECEMBER 31, 1968 (with comparative figures)
MINERAL MOUNTAIN MINING CO. LTD. N.P.L.

	1968	1967
Exploration and development		
CBS 542 claims	\$ 2,863	\$ 5,986
Nevada properties (Note 3)	248	7,368
Dynasty area property	(30)	346
	<hr/> 3,081	<hr/> 13,700
General and administrative		
Accounting	600	600
Audit and legal	70	1,580
Office, stationery and sundry	327	926
Transfer agents	284	684
	<hr/> 1,281	<hr/> 3,790
Deduct: Interest income	2,046	1,173
	<hr/> (765)	<hr/> 2,617
	<hr/> 2,316	<hr/> 16,317
Balance, beginning of year	<hr/> 68,818	<hr/> 52,501
	<hr/> 71,134	<hr/> 68,818
Less: Write off to deficit of deferred development costs relating to mineral claims and interests no longer held — CBS 542	8,850	<hr/>
Balance, end of year	<hr/> \$ 62,284	<hr/> \$ 68,818

The accompanying notes form part of this statement.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1968

MINERAL MOUNTAIN MINING CO. LTD. N.P.L.

1. Mineral claims and interests — at cost

2½% Interest in drilling reservations and petroleum and natural gas leases	\$100,464
Assessments and advances for development work and lease rentals	53,732
	<u>154,196</u>

Mining properties assigned by Mobile Explorations Ltd. and/or obtained through the use of the Mobile Unit, including Nevada properties and mineral claims in the Kamloops Mining Division.	93,750
Mining properties obtained from Kaslo Base Metals Ltd. in cancellation of any and all debts	38,575
Interest in a farmout agreement held by Suffolk Explorations Co. to carry out an oil drilling program in various areas of Saskatchewan. Formal agreement concerning this interest has not been finalized.	10,625
33-1/3% interest in CBS 589 Mining Ltd. (N.P.L.) represented by shares and advances.	11,600
Mineral properties in the Dynasty area, Yukon Territory	<u>9,500</u>
	<u>\$318,246</u>

2. 40,000 Shares were issued to directors on September 26, 1968 for a cash consideration of 35¢ per share pursuant to a stock option agreement dated September 29, 1966. The balance of 40,000 shares under this option agreement were issued on January 27, 1969 for 35¢ per share.

	Proceeds
Shares outstanding December 31, 1967	1,590,000 shares
Issued September 26, 1968 per stock option at 35¢	<u>40,000 shares</u>
Shares outstanding, December 31, 1968	<u>1,630,000 shares</u>
	<u>\$946,802</u>

3. The Nevada properties, of which the company owns 48¾%, have been leased for 30 years to Ussram Exploration Co. under a royalty agreement entered into on August 31, 1967.

	1968	1967
Deficit, beginning of year	\$494,855	\$494,855
Add: Write off of costs of claims and interests no longer held together with related deferred development costs:		
CBS 542 option not exercised	21,200	
Deficit, end of year	<u>\$515,955</u>	<u>\$494,855</u>

